UKRAINE JOINT MARKET MONITORING INITIATIVE (JMMI) July 2022

ABOUT

In an effort to inform cash-based interventions and better understand market dynamics in Ukraine, the Joint Market Monitoring Initiative (JMMI) was created by the Ukraine Cash Working Group (CWG) in March 2022. The initiative is guided by the CWG Task Team 4 on Monitoring (CWG TT4), led by ACTED and REACH and supported by the CWG members.

Marketplaces across Ukraine are assessed on a monthly basis. In each location, field teams record prices and other market indicators through retailer and customer interviews. In addition to the interviews, REACH conducts online price monitoring across the country. This factsheet presents an overview of prices for key foods and non-food items (NFIs) in the assessed areas, as well as the costs associated with key elements of the JMMI Basket, which consists of 20 core food and hygiene items.

KEY FINDINGS

Vehicle fuel is again widely available, with 49% of customers interviewed reporting full availability and 25% limited availability. As a consequence, the government has proposed to reintroduce taxes on petrol and diesel.

Fuel prices saw a decrease in July but remain high.

Food and hygiene items in the country saw a balanced **price increase** of 7% and 8%, respectively.

Regional differences in prices persist with the full JMMI basket being 20% more expensive in the North than in the West.

On July 21, the **National Bank of Ukraine (NBU) devaluated the hryvnia** causing concerns of an even higher inflation rate in the months to come.

Cost of JMMI basket

1051 UAH ▲ +7%

28.41 USD ▲ +8%

28.10 EUR ▲ +12%

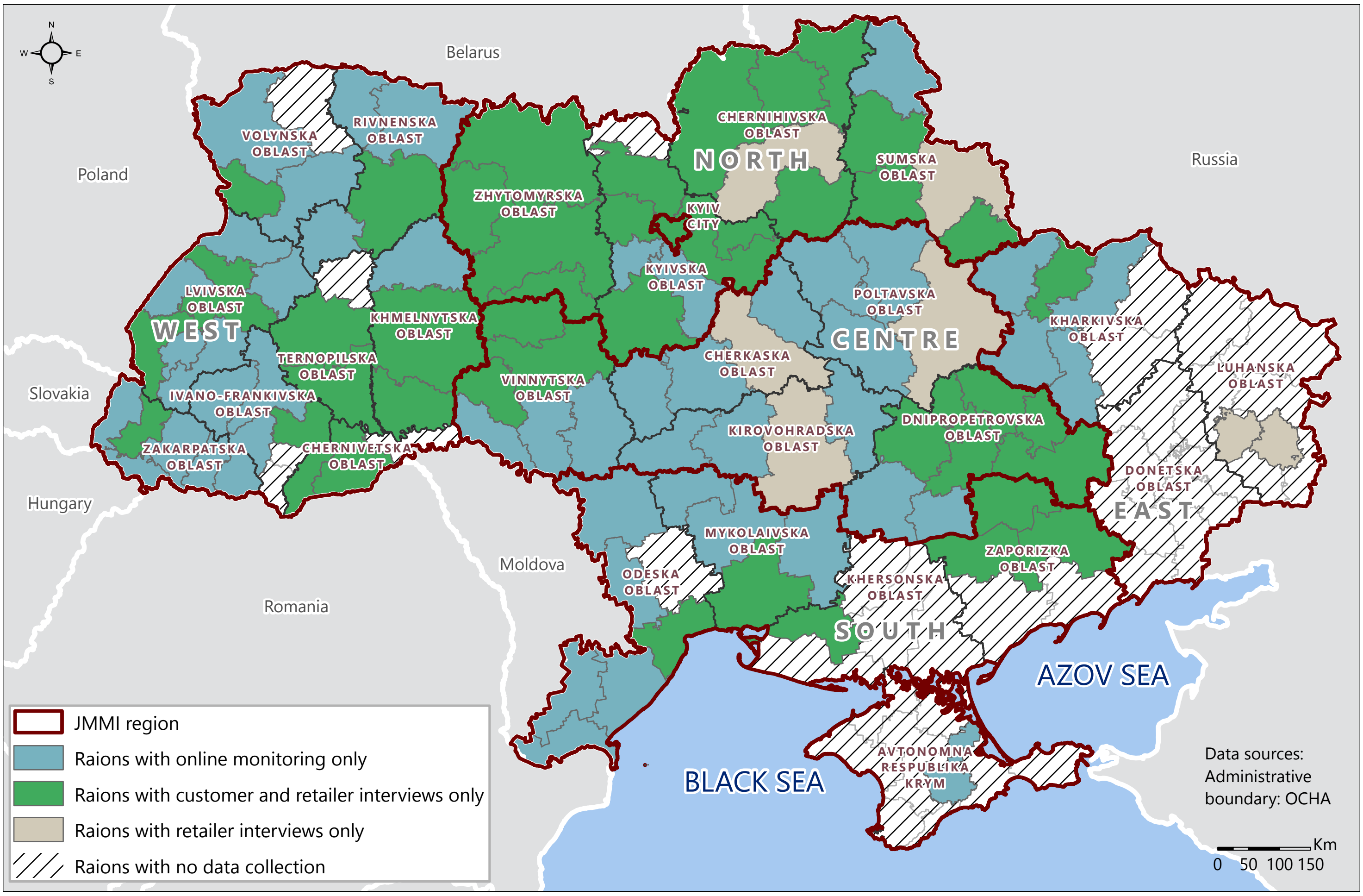
Exchange rates*

UAH/USD	UAH/EUR
37.00 ▲ +4.2%	37.40 ▼ -0.8%

15	**participating partners**
916	**interviews conducted**
466	*retailers surveyed*
450	*customers surveyed*
23	oblasts monitored
100	hromadas monitored

*Median exchange rate on June 15, parallel market. Data available at **http://minfin.com.ua**

Map 1: Coverage (in-person and online)



AVAILABILITY

After several months of a country-wide fuel deficit, the situation had in July stabilised thanks to the establishment of new import routes and global oil prices decreasing to pre-invasion levels[1]. In July, 48% of customer respondents reported that vehicle fuel is fully available (Figure 1), as compared to 9% in June. Consequently, the Government recently asked the parliament to partially restore taxes on petrol and diesel as a mean to strengthen the state budget[2].

The government has announced that heating prices will remain unchanged for the duration of the war, despite predictions of difficulties in meeting the demand for heating in the coming winter[3]. Figure 2 shows that the percentage of customer respondents reporting that heating fuel is fully available remains unchanged (at 49%) compared to the previous month.

In Ukraine, the general availability of food items, hygiene items and medication to consumers increased compared to the two previous months (Figure 3-5). By contrast, the availability of warm clothes saw a decrease as compared to June (Figure 6).

Fig 1: % of customers reporting availability of vehicle fuel, national

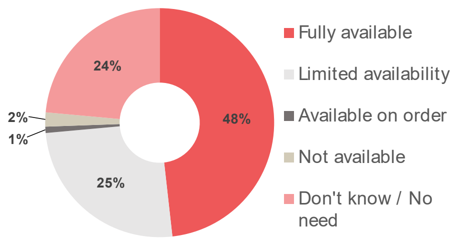


Fig 2: % of customers reporting availability of heating fuel, national

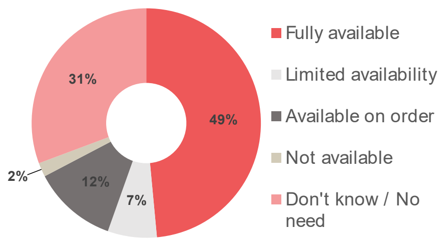


Fig 3: % of customers reporting availability of food items, national

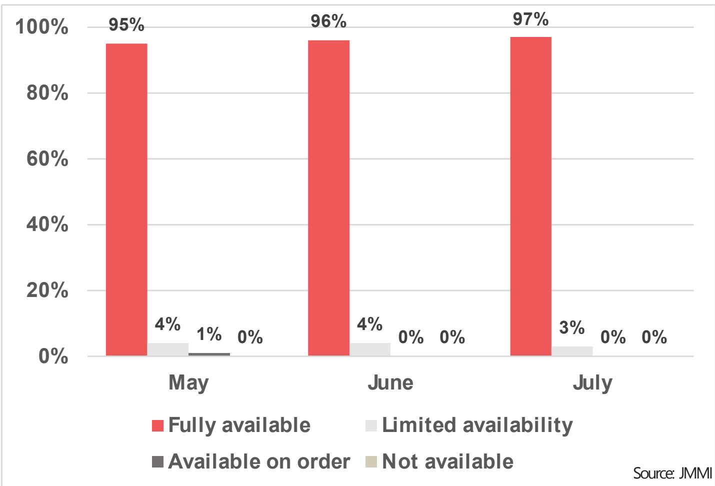


Fig 4: % of customers reporting availability of hygiene items, national

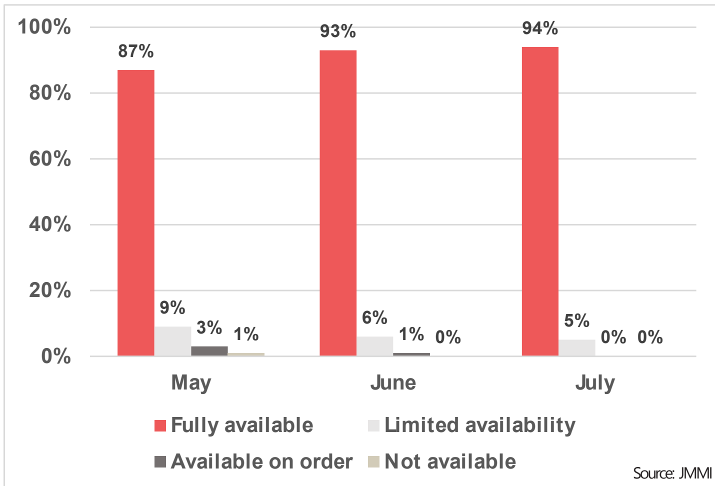


Fig 5: % of customers reporting availability of medication, national

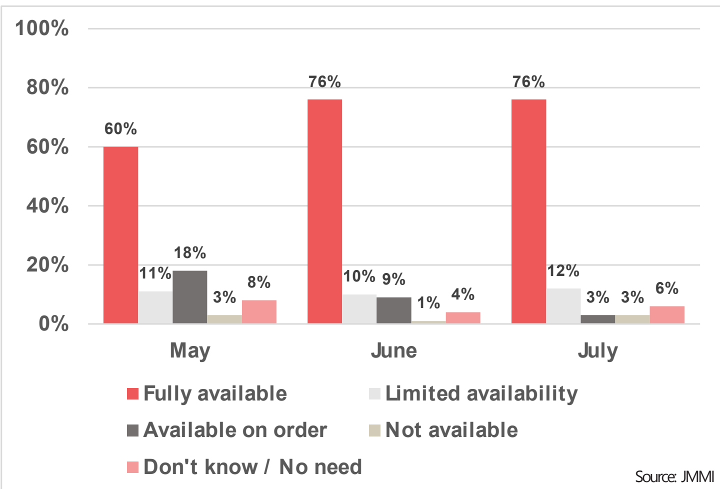
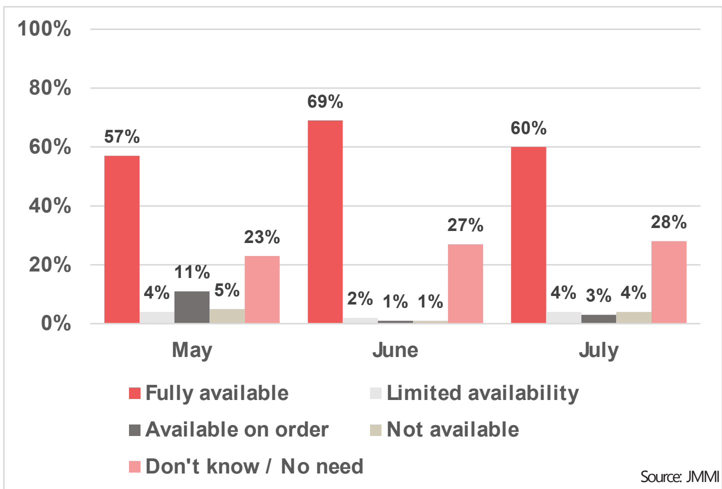


Fig 6: % of customers reporting availability of warm clothes, national



THE BASKET

The JMMI Basket is a subset of the 296-item Minimum Expenditure Basket (MEB) maintained by the State Statistics Service of Ukraine (SSSU), focusing on core food and hygiene items that an average household must purchase on a regular basis. The JMMI Basket was defined in consultation with the Ukraine Cash Working Group. Trends in the price of the basket are indicative of consumer price inflation.

In July, the price of the full JMMI basket increased with 7% in the country to reach UAH 1051. The sharpest price increase was seen in the Northern region, which also had the highest basket price in July. In the North, with a price of UAH 1153, the full JMMI basket was 20% more expensive than in the West, which had the lowest basket price of UAH 960.

JMMI BASKET

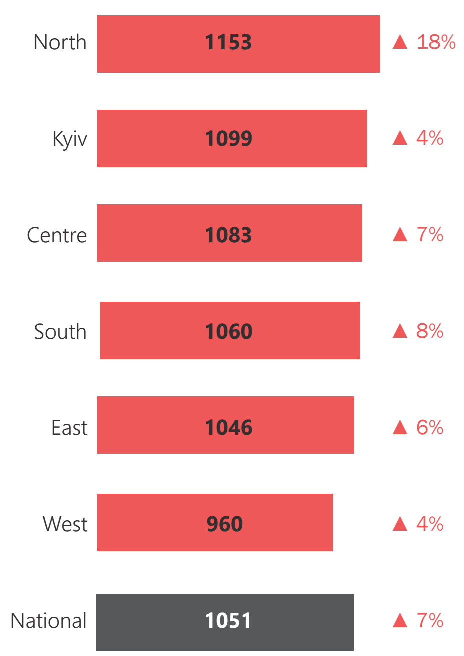
Food

Bread	500 g
Buckwheat	1 kg
Cabbage	1 kg
Carrots	1 kg
Chicken (legs)	1 kg
Complement. cereal for babies	200 g
Drinking water	1 bottle (1.5L)
Eggs (chicken)	10 pcs
Milk (2.5%)	900 ml
Oil (sunflower)	900 ml
Onion	1 kg
Potato	1 kg
Rice (round)	1 kg
Wheat flour (white)	1 kg

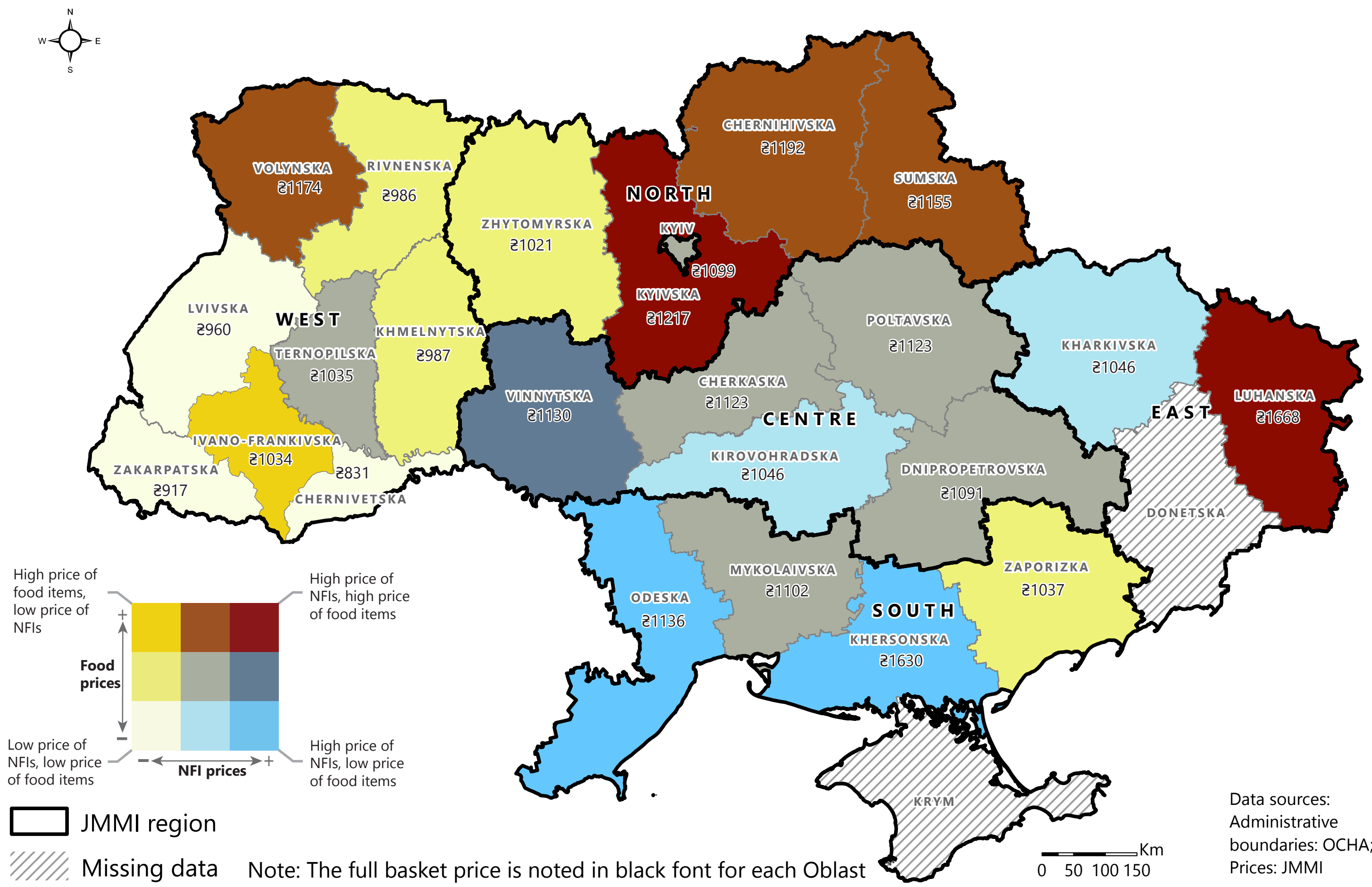
Non-food items (NFIs)

Body soap	1 bar (75 g)
Diapers (infant size 3)	1 pack (40-60 pcs)
Hygiene/sanitary pads	1 pack (10 pcs)
Laundry soap	1 bar (200 g)
Toothpaste	1 tube (75 mL)
Washing powder (machine)	1 box (400 g)

Fig 7: Median values of the full JMMI baskets by region, in Ukrainian Hryvnia (UAH)



Map 2: Median values of food and non-food items, by oblast



Data sources: Administrative boundaries: OCHA; Prices: JMMI

Table 1: Median prices of food items by region, UAH

		West		Centre		South		North		Kyiv		East		National	
Item	**Unit**	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change
Bread	500 g	17	-1%	16	11%	18	12%	17	7%	21	2%	14	0%	17	23%
Buckwheat	1 kg	96	3%	100	0%	100	33%	112	13%	99	27%	100	3%	100	5%
Cabbage	1 kg	34	27%	35	17%	27	-21%	40	34%	36	11%	36	-8%	35	14%
Carrots	1 kg	34	38%	35	29%	33	28%	35	30%	33	27%	35	29%	34	30%
Chicken (legs, fresh)	1 kg	86	-19%	87	-16%	68	-34%	79	-13%	94	30%	76	-7%	83	-15%
Complementary cereal	200 g	66	-7%	78	30%	100	0%	63	-6%	123	31%	55	-17%	72	5%
Eggs (chicken)	10 pcs	26	18%	26	29%	27	34%	28	34%	25	26%	26	18%	26	25%
Milk (2.5%, fresh)	900 mL	29	1%	28	-7%	34	35%	32	4%	28	-8%	29	4%	29	-2%
Oil (sunflower, refined)	900 mL	60	-1%	65	7%	65	9%	68	13%	54	-10%	60	-1%	62	4%
Onions	1 kg	27	26%	30	172%	26	-13%	30	67%	29	21%	30	3%	29	30%
Potatoes	1 kg	17	113%	18	74%	14	21%	25	154%	19	99%	19	68%	18	83%
Rice (round)	1 kg	55	6%	54	8%	59	37%	56	2%	49	-16%	57	-1%	56	4%
Water	1.5 L	10	-17%	13	15%	15	24%	15	27%	12	4%	14	8%	13	9%
Wheat flour (white)	1 kg	22	25%	19	15%	21	6%	21	26%	18	-10%	18	-2%	20	11%
Total		578	3%	604	11%	607	5%	622	12%	640	15%	568	1%	595	7%

Source: JMMI

Table 2: Prices of non-food (hygiene) items by region, UAH

		West		Centre		South		North		Kyiv		East		National	
Item	**Unit**	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change	Median price	1 month change
Body soap	1 bar (75 g)	12	-14%	11	38%	12	55%	13	56%	11	11%	10	32%	12	40%
Diapers (infant, 5-9 kg)	1 pack (40-60 pcs)	264	12%	332	11%	300	0%	395	38%	304	-13%	377	24%	318	6%
Hygiene/sanitary pads	1 pack (10 pcs)	28	-7%	31	-40%	N/A	N/A	32	-34%	N/A	N/A	10	-60%	30	-2%
Laundry soap	1 bar (200 g)	16	-2%	19	13%	16	-4%	17	-9%	19	26%	14	-11%	17	0%
Toothpaste	1 tube (75 ml)	30	-3%	44	-14%	57	125%	41	39%	56	-3%	29	-5%	42	39%
Washing powder	1 box (400 g)	32	-12%	43	9%	37	69%	34	5%	39	-12%	37	7%	37	5%
Total		382	5%	479	3%	423	14%	532	26%	429	-14%	478	14%	456	8%

Source: JMMI

Fig 8: Price of wheat in the international market, as % from January 2022

Source: Business Insider

*N/A in tables above stands for cases when the price change since the previous month is undefinable due to lack of sufficient data.

PRICES

In July, the food-item prices of the JMMI basket increased with 7% whereas the NFI-prices increased with 8%. Kyiv saw the highest increase in food-item prices (15%) while the highest increase in NFI-prices was seen in the North (26%).

The most expensive food-item basket was found in the Kyiv (UAH 640) and the cheapest in the East (UAH 568). The North had the most expensive NFI basket and the West the cheapest.

Among the food items monitored by the JMMI, potatoes saw the highest price increase at the national level (83%), followed by carrots and onions (30%). The NFIs with the highest price increases were body soap and toothpaste with 40% and 39%, respectively.

As illustrated in Fig. 8, the global price of wheat has been steadily decreasing since May but remains above pre-February 24 levels. With the "mirror" deals signed by Russia and Ukraine with the UN and Türkiye on July 22, there are hopes that a large part of the 20 million tons of grain estimated to be stuck in the country will reach international markets[4].

There are, however, uncertainties whether global wheat prices will continue to decrease in the coming months. For Ukraine, key questions are how quickly new crop can be harvested and stored and how safely ships can traverse the newly opened maritime transport corridors[5].

Fig 9: % of retailers reporting difficulties keeping store operational and well-stocked, by region

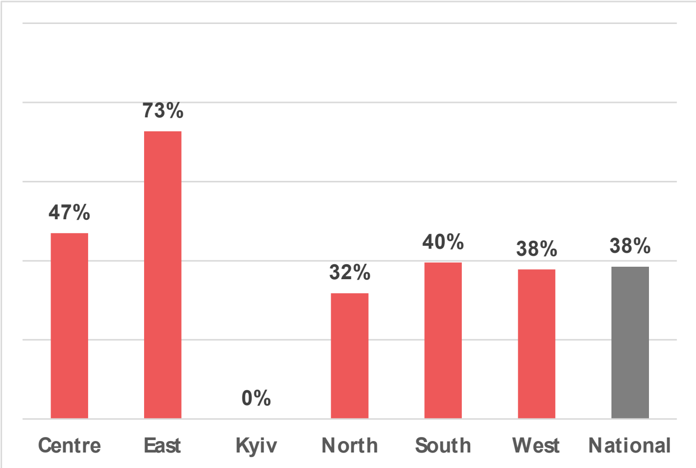


Fig 10: % of retailers reporting that they expect new challenges due to the crisis, by region

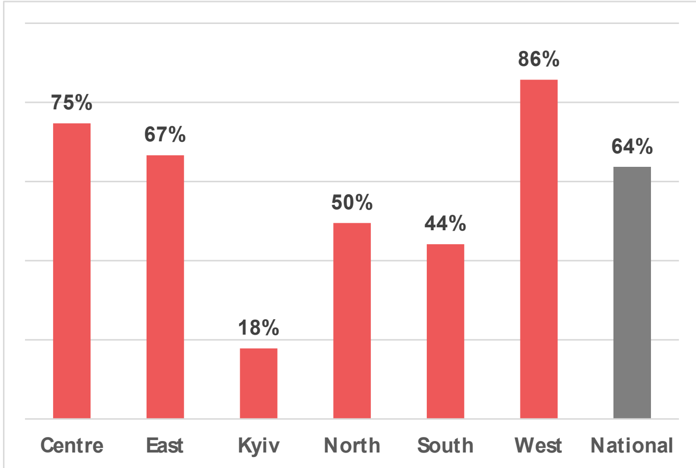


Fig 11: % of retailers reporting new challenges faced since the start of the crisis, by type of challenge and region

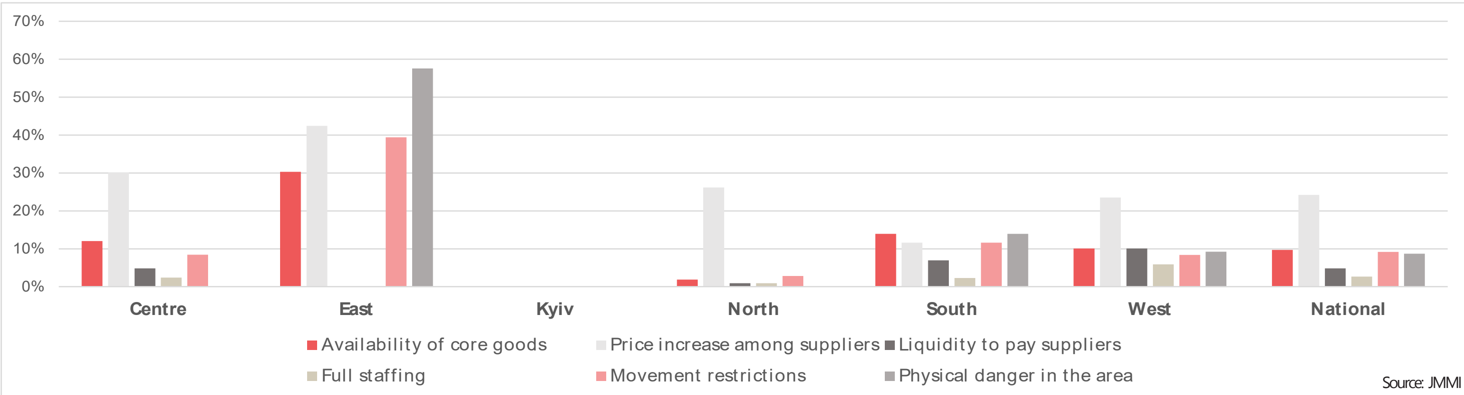


Fig 12: % of customers and retailers reporting that the crisis has affected the ability to access shops, by region

ACCESS AND FUNCTIONALITY

Retailer difficulties to keep their stores operational and well-stocked persist in Ukraine, with Kyiv being an exception. Compared to the June round of JMMI, however, a lower percentage of vendors reported having difficulties to keep their stores operational and well-stocked.

The expectations of seeing new challenges in the future are relatively unchanged (64% as compared to 67% in June at the national level).

Price increases among suppliers is the main concern among retailers nationwide, whereas physical danger is the main concern in the East.

Accessibility to shops has worsened in Ukraine compared to June, seen from the perspectives of both customers and retailers.

Fig 13: % of retailers reporting that they mostly rely on a single supplier for food items, country-wide

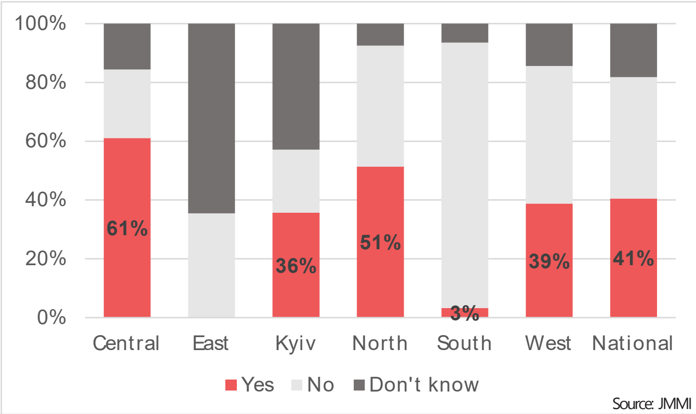
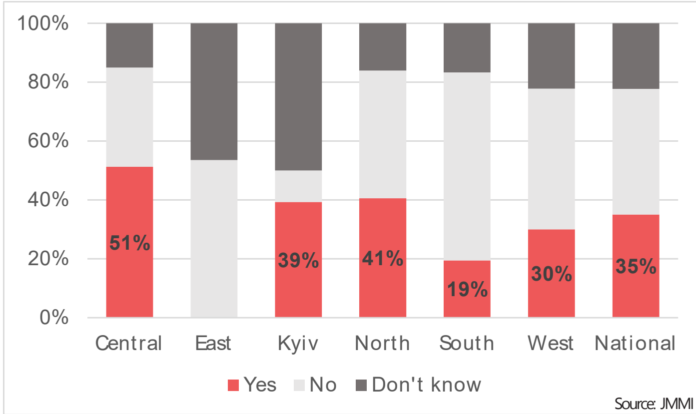


Fig 14: % of retailers reporting that they mostly rely on a single supplier for hygiene items, country-wide



SUPPLY

Relying on a single supplier (single sourcing) can be a strategic decision in normal circumstances. However, in the current situation of great market uncertainty, transitioning to single sourcing is most likely an involuntary action that stems from limited options. In July, a higher percentage of vendors that reported mostly relying on a single supplier was observed at the national level for both food and hygiene items, with an increase of 18 percentage units (to 41%) for food items and an increase of 5 percentage units (to 35%) for hygiene items.

Understanding supply chains can be complex so any data on suppliers should be taken as indications in need of being further triangulated.

FINANCIAL SERVICES

Bank branches and ATMs were reportedly fully available to 78% and 81% of retailers, respectively, in the full national sample. However, challenges are present in the South where only 30% of retailers reported full availability of ATMs and 26% full availability of Bank branches.

FUEL

Vehicle fuel saw an upswing in availability compared to June, (see page 2). Meanwhile, fuel prices saw a decrease in July, which indicates that the fuel situation in the country gradually is stabilizing.

The price of Liquefied Petroleum Gas (LPG) decreased by 19% in July while the prices of Diesel, Petrol A-92 and Petrol A-95 saw more moderate decreases of 2%, 2% and 3%, respectively. Fuel prices, however, remain high, as compared to pre-invasion levels. Relative to January, the price of diesel has increased 183%, Petrol A-92 161%, Petrol A-95 161% and LPG 176%.

Fig 15: Month-on-month change on the price of vehicle fuel, UAH

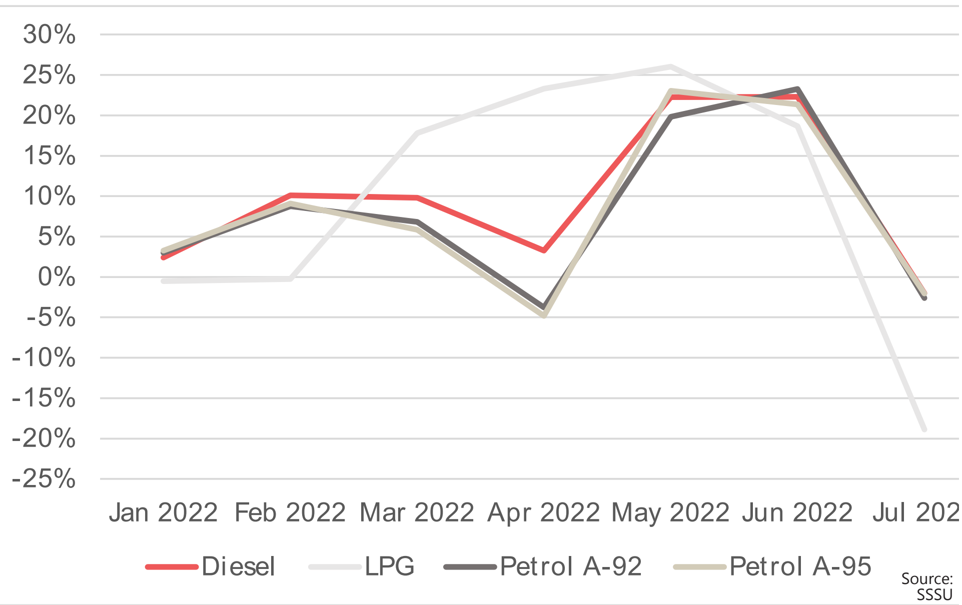
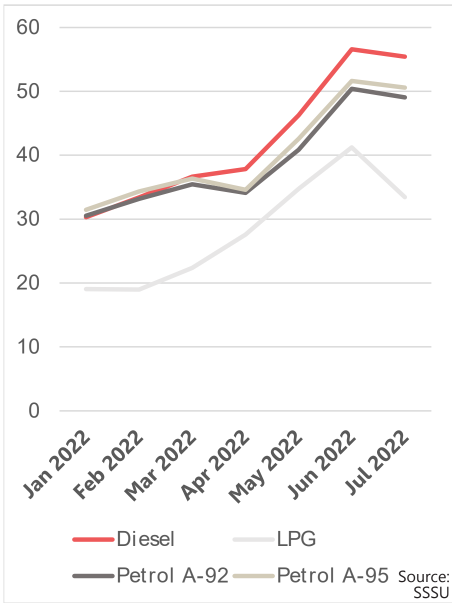


Fig 16: Price of vehicle fuel, UAH



MACROECONOMICS

On July 21, the National Bank of Ukraine (NBU) devaluated the hryvnia, which had seen a fixed national exchange rate since the beginning of the war. As a consequence, the UAH-USD exchange rate increased from 29.25 to 36.57 overnight. There are concerns that inflation will spiral even further now when the anchoring element of a fixed national exchange rate has been removed[6]. The average exchange rate of commercial banks also saw a substantial increase in July.

The balance of trade (for which data is only available up until June at the time of writing) saw a decrease compared to May as the value of total imports rose sharply.

RENT

Across the country, rent prices for a 1-room apartment have reportedly increased by 16%, as compared to January. In 2021, the increase in the same period was of 3%. In July, the oblasts with the largest relative increase in rent compared to January were Kirovohradska (61.5%), Chernivetska (58%) and Ivano-Frankivska (45%).

MEDICINE

The price of basic medicine items, such as antibiotics, analgesics, and vasodilating agents, continued to increase in July, with the one exception being vasodilating agents of imported brands.

Fig 17: Mid-market exchange rate for the US Dollar (USD)

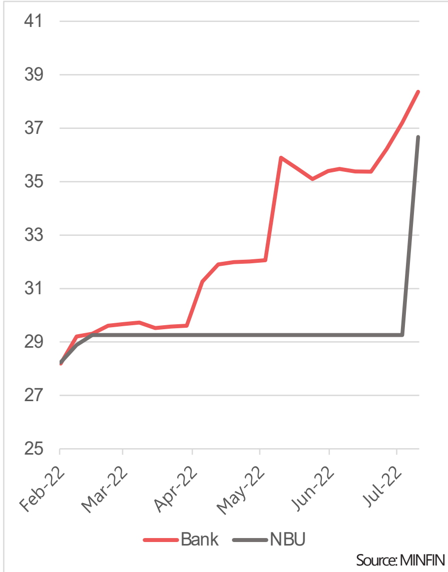


Fig 18: Inflation rates, month-on-month

Fig 19: Changes in gross value of exports and imports of Ukraine, million USD

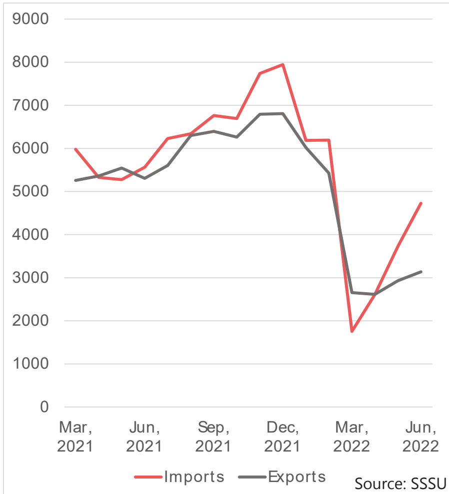


Fig 20: Cumulative price increase of selected medicines, national averages, as % from January 2022

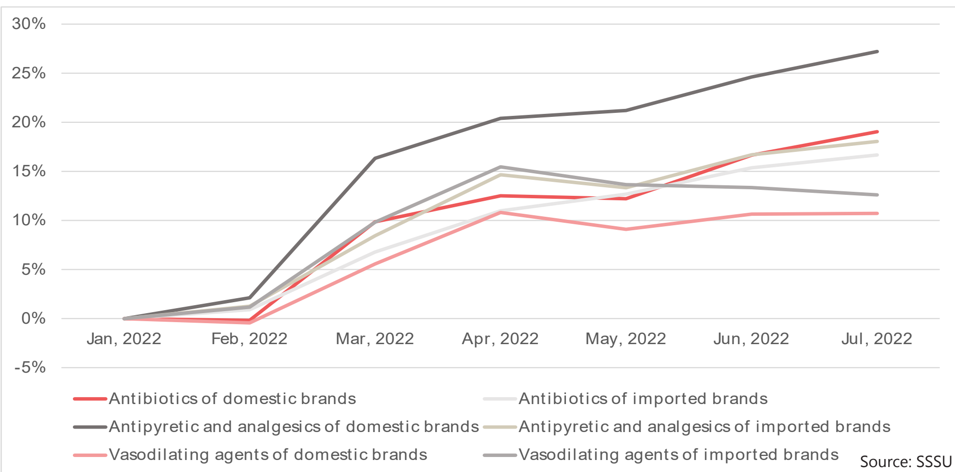
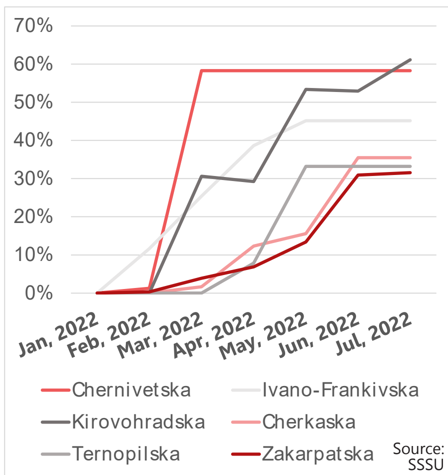


Fig 21: Top oblasts by increase of rent for a 1-room apartment, as % from January 2022



BACKGROUND

Since 24 February 2022, the escalation of military clashes across Ukraine has prompted mass displacement and humanitarian crisis. Given the prominence of multi-purpose cash as a modality for assistance, market monitoring is key to ensure humanitarian intervention is effective, sustainable and does not harm local economic systems. Due to the conflict's sudden expansion to areas of Ukraine that were previously untouched, humanitarian market data from conflict-affected areas is limited and incomplete. The Joint Market Monitoring Initiative seeks to fill this information gap by providing useful and timely data on price trends and market functionality indicators.

METHODOLOGY

The JMMI is conducted in partnership with the Ukraine Cash Working Group (CWG) through its Task Team 4 on Monitoring, co-led by ACTED and REACH. Data collection is a joint, partner-led exercise carried out once per month by participating CWG members across the country.

The methodology for collecting primary data centres on quantitative, structured interviews with purposively sampled interviewees. Two harmonised questionnaires are used: one targeting retail market traders who act as key informants (KIs) for their respective markets, and another targeting customers in monitored stores and marketplaces for individual interviews. Partners focus on interviewing retailers, rather than wholesalers or distributors, as these are the market actors who have the greatest interaction with vulnerable populations.

Primary data is collected and analysed on a hromada level, with partners submitting data from each hromada's largest marketplaces devoted to retail, as well as from larger standalone chain stores. Field teams must aim to collect a minimum of three prices per item per assessed hromada, interviewing retailers until this threshold is met, and must also submit a minimum of five customer interviews per assessed hromada. In line with the purpose of the Minimum Expenditure Basket, only the price of the least expensive commonly purchased brand or variety is recorded for each item. All data is collected by field staff trained in the common JMMI methodology and tools; it is then submitted to a common CWG KoBo server and is cleaned and analysed by REACH on behalf of the CWG.

The JMMI also integrates secondary data via a remote price monitoring component. REACH collects data on the prices and availability of all JMMI items from ATB, one of Ukraine's largest supermarket chains. The accuracy of this remote monitoring methodology is verified via in-person spot checks of monitored ATB stores. Secondary data from other sources, particularly the State Statistics Service of Ukraine, is also integrated into the JMMI and used for triangulation where possible.

The prices reported in this factsheet are 'location medians', designed to minimise the effects of outliers and unequal numbers of prices submitted from diverse locations. First, the median prices of each assessed item is calculated within each assessed hromada; then, for each item, REACH calculates the median of this list of hromada-level medians across larger geographical areas (raions, oblasts, regions, and the whole of Ukraine).

CHALLENGES AND LIMITATIONS

As the JMMI relies on purposive sampling methodologies, the results must be regarded as indicative and not representative. Furthermore, results are indicative only of market conditions during the time frame in which they were collected.

The JMMI methodology records the price of the least expensive commonly purchased brand or variety available in the store for each item. As brand availability may vary from area to area, price comparisons across areas may sometimes be based on slightly varying products.

In some cases, partners were unable to collect the minimum number of retailer or customer interviews required by the JMMI methodology. Where necessary, imputation from raion-level or oblast-level medians was used to compensate for missing prices and enable the cost of the JMMI basket to be calculated.

While the JMMI's remote monitoring methodology produces reliable data on prices and availability, further data on market functionality cannot be collected using this methodology.

Due to the remote monitoring methodology's reliance on ATB's online services, remote data is available only from areas where ATB continues to offer these services. These areas generally do not include non-government-controlled areas (NGCAs) or areas that remain heavily affected by the conflict.

As the JMMI continues to expand into new hromadas, some changes in the overall median prices may be driven by shifts in coverage rather than by true price changes.

PARTNERS

ACTED, Action Against Hunger, Карітас України / Caritas Ukraine, Eesti Pagulasabi, HEKS EPER, International Rescue Committee, CORE Community Organized Relief Effort, Joint Emergency Response in Ukraine (Welthungerhilfe, Concern Worldwide, Cesvi, Alliance 2015), KiiS, Mercy Corps, People in Need, REACH, Save the Children, World Vision, WFP World Food Programme

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information about REACH, please visit **http://reach-initiative.org.**

REFERENCES

1. Financial Times, **"Oil prices drop below $95 for first time since invasion of Ukraine"**, 14 July 2022
2. Reuters, **"Ukraine to resume excise tax on fuel to replenish budget during war"**, 15 August 2022
3. Gas Transmission System Operator of Ukraine (TSOUA), **"Strength tests: heating season 2022-2023"**, 1 July 2022
4. British Broadcasting Corporation (BBC), **"How much grain is being shipped from Ukraine?"**, 22 August 2022
5. New Europe, **"Exchange rate correction: Adapting Ukraine's economy to wartime realities"**, 9 August 2022
6. Financial Times, **"Ukraine/wheat: conflict will buoy prices until sea corridor proves worth"**, 9 August 2022